



Revised Bay Delta Policy Principles & Position Statement on California WaterFix

Special Board Meeting
August 9, 2018

Mark Weston, Imported Water Committee Chair
Lois Fong-Sakai, Imported Water Committee Vice Chair
Tom Kennedy, Imported Water Committee Vice Chair

Draft Revised Policy Principles & Position Statement

- In response to Board feedback at the July 26 meeting, the Imported Water Committee Chair and Vice Chairs worked with staff to revise and simplify the Board's Bay Delta Policy Principles and WaterFix position statement



Proposed Policy Principles

- Replaces 2012 Bay Delta Policy Principles
 - Simplifies
 - Removes/avoids conflicting provisions
 - Focuses on project financing/cost allocation

ATTACHMENT 1

San Diego County Water Authority
Bay Delta & WaterFix Project Policy Principles & Position Statement
Proposed Revisions, 8/9/2018

Position Statement

The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) allocating the costs of the project as conservation, or supply charges, as similar facilities historically have been defined in MWD's SWP contract with DWR.

Policy Principles

WaterFix Project

- Support the current design and construction plans for the WaterFix project, provided that its costs are properly allocated as project conservation facilities, or supply costs.
- Support allocation of WaterFix costs by MWD, DWR and any other third parties as "project conservation facilities" (or equivalent) as defined in the current version of Article 1(f) and (g) of Metropolitan Water District's (MWD) SWP contract with DWR, and as reflected in Table 2 of DWR's Appendix B to Bulletin 132-17, *Data and Computation Used to Determine Water Charges*, and for which costs are recovered in Article 22(a) of Delta Water Charge of the current MWD SWP Contract; allow for the exemption of north-of-Delta SWP contractors.
- Support actions by DWR and MWD and any other parties to characterize or allocate WaterFix costs as supply. Oppose actions by DWR and MWD and other parties to characterize or allocate WaterFix costs as anything other than project conservation facilities, or supply costs.
- Support establishment of an independent oversight function to monitor and provide regular updates on WaterFix project implementation progress, including expenditure tracking, construction progress, project participants' contributions, and all other relevant activities and developments.

Water Supply Reliability and Quality

- Continue to support the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.
- Support deliberative processes that are designed to ensure a meaningful dialogue with all stakeholders to reduce future conflicts and challenges to implementation of a Bay Delta solution.
- Improve the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.
- Encourage the development of a statewide water transfer market that will improve water management.
 - Allow access to all SWP facilities, including WaterFix facilities, to facilitate water transfers.
- Support improved coordination of Central Valley Project and State Water Project (SWP) operations.

Ecosystem Restoration

- Work with all stakeholders to ensure a meaningful dialogue and that ecosystem restoration issues are addressed in an open and transparent process.
- Support the use of public funds to support specific projects and actions with identified costs that protect and improve the Bay Delta ecosystem and environment and that provide broad-based public benefits.

Governance

- Support continued state ownership and operation of the SWP, including WaterFix facilities, as a public resource.
- Support improved efficiency and transparency of all SWP operations.

Proposed Revisions, 8/9/2018



Proposed WaterFix Position Statement

- The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) allocating the costs of the project as conservation, or supply charges, as similar facilities historically have been defined in MWD's SWP contract with DWR.



WaterFix impacts on Water Authority's Ratepayers

- Range of impacts to Water Authority if MWD allocates WaterFix costs to Transportation, but recovers one-half through the Readiness-to-Serve (RTS) charge

MWD assigns WaterFix Costs to	Increase in household monthly bills*
Supply	\$0.55-\$0.80
Transportation	\$13.27-\$21.07
Transportation, but 50% recovered by RTS	\$7.99-\$12.69

* Based on demand forecast reset; nominal \$ based on MWD's projected share of \$10.8B (assumes no cost overruns), interest rates of 4% and 8%, single family household using 0.4 AF of Water Authority's water annually

Recommendation

- The Imported Water Committee Chair and Vice Chairs recommend the Board of Directors adopt the proposed WaterFix Position Statement and the Revised Updated Bay Delta Policy Principles

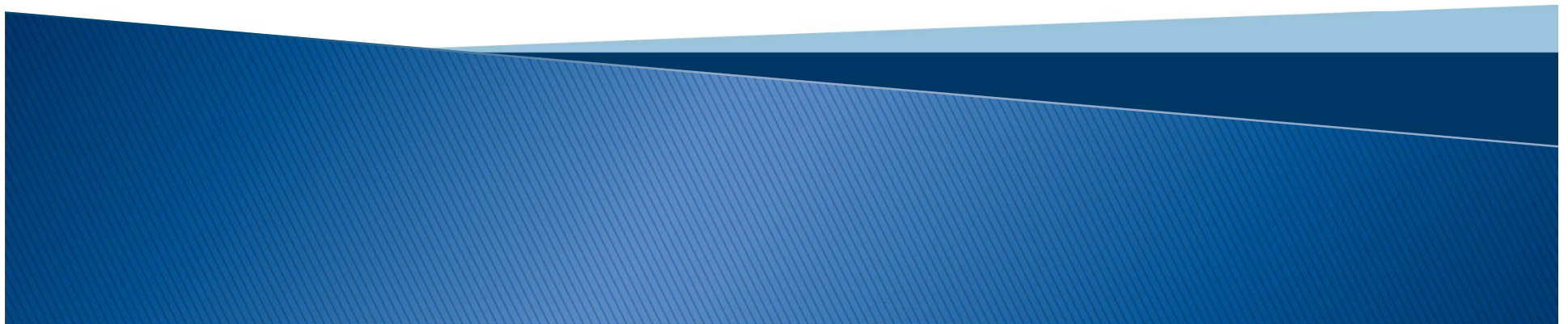




**San Diego County
Water Authority**
Our Region's Trusted
Water Leader

Bay Delta & WaterFix Project Policy Principles & Position Statements

Proposed Revisions 8/9/2018



San Diego County Water Authority

**Bay Delta & WaterFix Project
Policy Principles & Position Statement
Proposed Revisions,
8/9/2018**

Position Statement

~~The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) allocating the costs of the project as conservation, or supply charges, as similar facilities historically have been defined in MWD's SWP contract with DWR.~~

Policy Principles

WaterFix Project

- ~~• The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) allocating the costs of the project as conservation, or supply charges, as similar facilities historically have been defined in MWD's SWP contract with DWR.~~
 - ~~• As reflected in Table 2 of DWR's Appendix B to Bulletin 132-17, Data and Computation Used to Determine Water Charges, and for which costs are recovered in Article 22(a) of Delta Water Charge of the current MWD SWP Contract, allow for the exemption of north-of-Delta SWP contractors.~~
- ~~• Support the current design and construction plans for the WaterFix project, provided that its costs are properly allocated as project conservation facilities, or supply costs.~~



-
- ~~Support the current design and construction plans for the WaterFix project, provided that its costs are properly allocated as project conservation facilities, or supply costs.~~
 - ~~Support allocation of WaterFix costs by MWD, DWR and any other third parties as “project conservation facilities” (or equivalent) as defined in the current version of Article 1(f) and (g) of Metropolitan Water District’s (MWD) SWP contract with DWR, and as reflected in Table 2 of DWR’s Appendix B to Bulletin 132-17, *Data and Computation Used to Determine Water Charges*, and for which costs are recovered in Article 22(a) of Delta Water Charge of the current MWD SWP Contract; allow for the exemption of north of Delta SWP contractors.~~
 - ~~Support actions by DWR and MWD and any other parties to characterize or allocate WaterFix costs as supply. Oppose actions by DWR and MWD and other parties to characterize or allocate WaterFix costs as anything other than project conservation facilities, or supply costs.~~
 - Support establishment of an independent oversight function to monitor and provide regular updates on WaterFix project implementation progress, including expenditure tracking, construction progress, project participants’ contributions, and all other relevant activities and developments.

Water Supply Reliability and Quality

- Continue to support the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.



-
- Improve the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.
 - ~~Support deliberative processes that are designed to ensure a meaningful dialogue with all stakeholders to reduce future conflicts and challenges to implementation of a Bay Delta solution.~~
 - ~~Improve the ability of water users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.~~
 - Encourage the development of a statewide water transfer market that will improve water management.
 - ~~Allow access to all SWP facilities, including WaterFix facilities, to facilitate water transfers.~~
 - Support improved coordination of Central Valley Project and State Water Project (SWP) operations.



Ecosystem Restoration

- ~~Work with all stakeholders to ensure a meaningful dialogue and that ecosystem restoration issues are addressed in an open and transparent process.~~
- ~~Support the use of public funds to support specific projects and actions with identified costs that protect and improve the Bay Delta ecosystem and environment and that provide broad-based public benefits.~~

Governance

- ~~Support continued state ownership and operation of the SWP, including WaterFix facilities, as a public resource.~~
- ~~Support improved efficiency and transparency of all SWP operations.~~

City 10 Updated Proposed Revisions, 8/9/2018

